



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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Fifth District

December 15, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 December 15, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**NEW LEASE
DEPARTMENT OF MENTAL HEALTH
1359 NORTH GRAND AVENUE, BUILDING "C," COVINA
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

A fifteen-year lease for 28,619 square feet of office space, and 114 on-site parking spaces for use by the Department of Mental Health's East San Gabriel Valley Mental Health Clinic.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the project will have no adverse effect on wildlife resources, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration, and adopt the Negative Declaration.
2. Approve and instruct the Chair to sign the lease with FNL/Covina Partners, LLC, for the occupancy of approximately 28,619 square feet of office space, and 114 on-site parking spaces at 1359 North Grand Avenue, Building "C", Covina, for the Department of Mental Health for a maximum first year rental cost of \$1,210,014. The rental and related costs are 100 percent funded under the Mental Health Services Act, Department of Public Social Services' CalWORKs, GROW, and Medi-Cal, and other State & federal funds.

3. Authorize the Internal Services Department, the Landlord or Landlord's County approved vendor, at the direction of the Chief Executive Office, to acquire telephone, data, and low voltage systems at a cost not to exceed \$850,000, which will be paid by the Department of Mental Health via lump sum or financed over a five-year term, in addition to the tenant improvement allowances provided under the lease.

4. Authorize and direct the Chief Executive Officer, and the Directors of Mental Health and Internal Services, to take actions necessary and appropriate to implement the project. The lease will be effective upon approval by the Board of Supervisors, but the term and rent will commence upon completion of the improvements by the Landlord or Landlord's County approved vendor, and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease for approximately 28,619 square feet of office space, and 114 on-site parking spaces at 1359 North Grand Avenue, Building "C", Covina, will allow the Department of Mental Health (DMH) to open a new East San Gabriel Valley Mental Health Clinic (Center). The new Center is strategically situated in the East San Gabriel Valley region complementing services offered at the newly rebuilt Arcadia Mental Health Clinic at 330 East Live Oak, Arcadia, that currently provides services to the western region of the San Gabriel Valley.

The new facility will allow DMH to consolidate locations, and provide a full array of direct and field based mental health services. The programs and services to be provided include the following: Wellness, Prevention and Early Intervention; Full Service Partnership; Field Capable Crisis Services, including Department of Public Social Services' CalWORKs and GROW programs; the newly formed SB82 outreach and triage team; Administrative Services for Service Area 3; and Psychiatric Mobile Response Teams (PMRT). As part of the proposed consolidation, the leases for the satellite offices currently located at 2620 California Avenue, Monrovia, and 301 East Foothill Boulevard, Arcadia, will be terminated upon occupancy of the new office.

The proposed Center will allow staff to provide mental health assessments, crisis intervention, medication support, co-occurring disorder treatment, individual and group psychotherapy, and collaborative mental health and primary care. The PMRT provides community based psychiatric support on a 24/7 basis.

The facility will house 128 staff serving approximately 1,200 to 1,400 clients. The average number of clients served on-site daily is projected at 125, in addition to services provided in the field.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Integrated Services Delivery (Goal 3) directs that we improve client and community outcomes through the continuous integration of services while safeguarding long-term fiscal sustainability of County services. In this case, the County is supporting these goals by consolidating operations, and improving efficiencies to provide quality information and services to residents. The proposed new lease is in conformance with the Asset Management Principles, as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide DMH the use of approximately 28,619 square feet of office, and 114 on-site parking spaces at a maximum first year rental cost of \$1,210,014, which is comprised of the initial annual base rent, and the maximum annual reimbursement of the Tenant Improvement (TI) allowance, if the entire amount is expended. The FNL/Covina Partners, LLC (Landlord) is responsible for the building operational and maintenance costs, and the County is responsible for utilities.

Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget, and will be proportionally charged back to the DMH. DMH has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs. The lease costs are funded under the Mental Health Services Act, CalWORKs, GROW, Medi-Cal, and other State & federal funds. Attachment B is an overview of the proposed lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will provide office space, and 114 on-site parking spaces for the East San Gabriel Valley Mental Health Clinic. The proposed lease includes the following provisions:

- A fifteen-year lease term, which commences upon completion of the improvements by the Landlord and acceptance by the County.
- A modified full-service gross lease whereby the Landlord is responsible for the building operational and maintenance costs, and the County is responsible for utilities.
- A cancellation provision allowing the County to cancel the lease any time after 120 months of the lease term, with 120 days prior written notice.
- A non-reimbursable TI allowance of \$286,190, or \$10 per square foot.
- A reimbursable TI allowance of \$2,432,615, or \$85 per square foot, payable in a lump sum or amortized over the initial five-years at an annual interest rate of 7 percent.
- Furniture will be purchased through the TI allowance, or by DMH through Internal Services Department Purchasing.
- Rental rate is subject to fixed 3 percent annual rental increases over the term.

The Chief Executive Office (CEO), Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could suitably accommodate this requirement. Based upon said survey, staff has established that the base rental range for similar space and terms is between \$24 and \$36 per square foot per year on a modified-gross basis, including parking. Thus, the base annual rental rate of \$22 modified-gross, including parking, for the proposed lease represents a rate below the market range for the area. In addition, the proposed facility is the only viable space for DMH to house the program within the service area. Attachment C shows County owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has inspected the facility and found it seismically suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations. Notification letters advising of the proposed lease has been sent to the City of Covina, pursuant to Government Code Sections 25351 and 65402.

A childcare facility is not feasible for DMH at this time for the proposed leased premises. The proposed lease will provide a central and appropriate location for services which is consistent with the County's facility location policy, adopted by the Board of Supervisors on July 24, 2012 as outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors, and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared, and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Wildlife when certain notices required by CEQA are filed with the County Clerk; however, the fee will be waived for the County when the Board of Supervisors finds that the project will have no impact on wildlife resources. The initial study incorporated in the Negative Declaration concluded there will be no adverse effect on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space, and parking spaces for this County requirement. There will be no negative impact on current County services or projects during the performance of the authorized activities. DMH concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return four originals of the executed lease, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:TT:CMM

TS:NCH:MAC:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Mental Health
Internal Services

**DEPARTMENT OF MENTAL HEALTH
1359 GRAND AVENUE, BUILDING "C", COVINA
Asset Management Principles Compliance Form¹**

| | | | | | |
|-----------|--|--|------------|-----------|------------|
| 1. | <u>Occupancy</u> | | Yes | No | N/A |
| A | Does lease consolidate administrative functions? ² | | X | | |
| B | Does lease co-locate with other functions to better serve clients? ² | | | | X |
| C | Does this lease centralize business support functions? ² | | X | | |
| D | Does this lease meet the guideline of 200 sq. ft of space per person? ² No, 224 sq. ft. per person due to the program's clinical space needed to provide services. | | | X | |
| E | Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² | | X | | |
| F | Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ² | | X | | |
| 2. | <u>Capital</u> | | | | |
| A | Is it a substantial net County cost (NCC) program? The rental costs are 100% funded under the Mental Health Services Act, CalWORKs/GROW), Medi-Cal, and other State & federal funds | | X | | |
| B | Is this a long term County program? | | X | | |
| C | If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy? | | | X | |
| D | If no, are there any suitable County-owned facilities available? | | | X | |
| E | If yes, why is lease being recommended over occupancy in County-owned space? | | | | X |
| F | Is Building Description Report attached as Attachment C? | | X | | |
| G | Was build-to-suit or capital project considered? | | | X | |
| 3. | <u>Portfolio Management</u> | | | | |
| A | Did department utilize CEO Space Request Evaluation (SRE)? | | X | | |
| B | Was the space need justified? | | X | | |
| C | If a renewal lease, was co-location with other County departments considered? | | | | |
| D | Why was this program not co-located? | | | | X |
| | 1. ____ The program clientele requires a "stand alone" facility. | | | | |
| | 2. ____ No suitable County occupied properties in project area. | | | | |
| | 3. <u>X</u> No County-owned facilities available for the project. | | | | |
| | 4. ____ Could not get City clearance or approval. | | | | |
| | 5. ____ The Program is being co-located. | | | | |
| E | Is lease a full service lease? ² No, the County pay for utilities. | | | X | |
| F | Has growth projection been considered in space request? | | X | | |
| G | Has the Dept. of Public Works completed seismic review/approval? | | X | | |
| | ¹ As approved by the Board of Supervisors 11/17/98 | | | | |
| | ² If not, why not? | | | | |

**FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE**

| | |
|---|--|
| Proposed Lease | 1359 North Grand Avenue, Building “C”, Covina |
| Area (Square Feet) | 28,619 rentable square feet |
| Term (years) | Fifteen-years, commencing upon Board of Supervisors approval and County's acceptance of the TIs. |
| Annual Base Rent ⁽¹⁾ | \$635,342 (\$22.20 per sq. ft. annually) |
| Annual TI Reimbursement ⁽²⁾ | \$574,672 (\$20.08 per sq. ft.) |
| Maximum First Year Rental Cost ⁽³⁾ | \$1,210,014 (\$42.28 per sq. ft. annually) |
| Base TI Allowance (non-reimbursable) | \$286,190 (\$10 per sq. ft.) |
| Additional TI Allowance | \$2,432,615 (\$85 per sq. ft.) |
| Cancellation | Any time after the 120 th month upon 120 days prior written notice |
| Rental adjustment | Fixed 3 percent per annum |

⁽¹⁾ Total Lease rate to be \$1.85/sf per month or \$22.20 per annum.

⁽²⁾ \$2,432,615 represents the maximum amount of reimbursable TI funds available for this project. If this entire amount is expended and amortized over 60 months at the proposed rate of 7 percent, the annual TI reimbursement will be \$574,672 (\$20.08 per sq. ft. annually).

⁽³⁾ Includes first year annual base rent, and annual reimbursement of TI allowance, if fully utilized.

**DEPARTMENT OF MENTAL HEALTH
SPACE SEARCH WITHIN THE EAST SAN GABRIEL VALLEY
1359 NORTH GRAND AVENUE, BUILDING "C", COVINA**

| LACO | FACILITY NAME | ADDRESS | OWNERSHIP | GROSS SQFT | NET SQFT | BLDG USE | AVAIL SQFT |
|------|---|-------------------------------------|-----------|------------|----------|----------|------------|
| A088 | PUBLIC LIBRARY- CHARTER OAK LIBRARY | 20540 E ARROW HWY, COVINA | LEASED | 2,500 | 2,500 | LIBRARY | NONE |
| A605 | DCFS-GLENDORA & REV. ENHANCEMENT | 725 S GRAND AVE, GLENDORA | LEASED | 109,018 | 103,567 | OFFICE | NONE |
| A530 | DCSS-GLENDORA APS | 130 W ROUTE 66, GLENDORA | LEASED | 2,070 | 1,863 | OFFICE | NONE |
| A059 | WEST COVINA REGIONAL SERV. BLDG. | 2934 E GARVEY AVE, W. COVINA | LEASED | 9,883 | 9,543 | OFFICE | NONE |
| A344 | DCFS-COVINA ANNEX | 1373 E CENTER CRT DR, COVINA | LEASED | 29,525 | 28,050 | OFFICE | NONE |
| 0095 | PW ROAD-DIV #518 MAINT.E YARD OFFICE | 161 N VALENCIA ST, GLENDORA | OWNED | 660 | 594 | OFFICE | NONE |
| 4615 | VALLEYDALE-DIRECTOR'S BUILDING | 5525 N LARK ELLEN AVE, AZUSA | OWNED | 243 | 193 | OFFICE | NONE |
| A478 | SHERIFF-N. REG SURV. & APPREHENSION | 2239 E GARVEY AVE N, W. COVINA | LEASED | 1,989 | 1,890 | OFFICE | NONE |
| 5673 | PUBLIC LIBRARY-SAN DIMAS LIBRARY | 145 N WALNUT AVE, SAN DIMAS | OWNED | 13,628 | 11,421 | LIBRARY | NONE |
| F437 | PW FLOOD- PUDDINGSTONE OFFICE | 150 E PUDDINGSTONE DR, SAN DIMAS | OWNED | 240 | 216 | OFFICE | NONE |
| 0111 | PW-FLOOD OFF. (FRMR SAN DIMAS SHERIFF) | 118 PONY EXPRESS RD, SAN DIMAS | OWNED | 660 | 594 | OFFICE | NONE |
| 5941 | AG COMM-BONELLI FLD OFF/COMF. STN #3 | 250 VIA VERDE, SAN DIMAS | OWNED | 764 | 282 | OFFICE | NONE |
| X561 | BONELLI-REGIONAL PARK HDQRTRS BLDG. | 120 VIA VERDE, SAN DIMAS | OWNED | 2,646 | 1,322 | OFFICE | NONE |

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: New Fifteen Year Lease for the Department of Mental Health – 1359 North Grand Boulevard, Building “C”, Covina – 5th District

A. Establish Service Function Category – Regional and local public service function

B. Determination of the Service Area –The proposed lease will allow the Department of Mental Health (DMH) to consolidate locations, and provide a full array of direct and field based mental health services. The facility will provide staff with adequate office space for DMH's new East San Gabriel Valley Clinic

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The consolidation of offices provides convenient accessibility of services to clients in the East San Gabriel Valley.
- Need for proximity to existing County facilities: The new Center is strategically situated in the East San Gabriel Valley region, complementing services offered at the newly rebuilt Arcadia Mental Health Clinic at 330 East Live Oak, Arcadia, that currently provides services to the western region of the San Gabriel Valley.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The Center is conveniently located near public transportation, i.e., bus service.
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The proposed use is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Covina. The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Estimated acquisition/construction and ongoing operational costs: The initial annual base rent of \$635,342, i.e., \$2.85 per square foot per month, plus the maximum amortized cost of the additional tenant improvement allowances of \$2,432,615, comprises the total annual lease costs for the lease facility under consideration. Sufficient funding for the proposed lease is included in the Fiscal year (FY) 2015-16 Rent Expense Budget and will be charged back to DMH. DMH has sufficient funding to cover the proposed lease costs, which are funded under the Mental Health Services Act, CalWORKs and other State and federal funds. In addition, telephone, data, and low voltage systems will be installed by Internal Services, Landlord or Landlord's County approved vendor at a cost not to exceed \$850,000.

D. Analyze results and identify location alternatives

Based upon the space and service needs of the DMH's, staff surveyed the immediate area to determine the availability of comparable and more economical sites. The proposed facility is the only viable space for DMH to house the programs within the service area.

Based on a survey of the area staff has determined that the base rental range for similar space and terms is between \$24 and \$36 per square foot per year on a modified-gross basis, including parking. Thus, the base annual rental rate of \$22 modified-gross, including parking, for the proposed lease represents a rate below the market range for the area. The proposed lease was presented and approved by the Real Estate Management Commission on November 18, 2015.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The facility provides proper accommodations for staff to provide mental health services in the East San Gabriel Valley region. The lease is in conformance with the Asset Management Principles, as outlined in Attachment A. The consolidation of facilities at the proposed office will provide a central and appropriate location which is consistent with the County's facility location policy adopted by the Board of Supervisors on July 24, 2012.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

DEPARTMENT: Mental Health, as Tenant

LANDLORD: FNL/Covina Partners LLC

**1359 North Grand Avenue, Building "C"
Covina, California 91724**

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the 15th day of December, 2015 between FNL/COVINA PARTNERS LLC, a California limited liability company ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

- | | |
|---|---|
| (a) <u>Landlord's Address for Notice:</u> | FNL/Covina Partners LLC 433 N. Camden Drive, Suite 820 Beverly Hills, California 90210 |
| (b) <u>Tenant's Address for Notice:</u> | Board of Supervisors Kenneth Hahn Hall of Administration, Room 383 500 West Temple Street Los Angeles, California 90012 With a copy to: Chief Executive Office Real Estate Division 222 South Hill Street, 3 rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971 |
| (c) <u>Premises:</u> | Approximately 28,619 rentable square feet in the Building (defined below) as shown on <u>Exhibit A</u> attached hereto. |
| (d) <u>Building:</u> | The building located at 1359 North Grand Avenue, Building "C", Covina which is located upon the real property described more particularly in <u>Exhibit B</u> attached hereto (the "Property"). |

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- (e) Term: Fifteen (15) years commencing upon the Commencement Date (as defined herein); and terminating at midnight on the day before the eighth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as expressly provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease.
- (f) Projected Commencement Date: October 1, 2016
- (g) Commencement Date: See Section 4(a).
- (h) INTENTIONALLY OMITTED
- (i) Basic Rent: \$52,945.15 per month (which is based upon a rental rate of approximately \$1.85 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof).
- (j) Early Termination Notice Date: At any time after the 120th month of the initial Term (but not during any renewal or extension of the initial Term), subject to the terms of Section 4(d) hereof, including, but not limited to payment of the Early Termination Fee (as defined herein).
- (k) Rentable Square Feet in the Premises: 28,619
- (l) Use: General office use for the Mental Health Department (or such other department approved in advance by Landlord).
- (m) Initial Departmental Use: Mental Health
- (n) Parking Spaces: 114 unreserved parking spaces (based on 4 spaces per 1,000 rentable square feet of the Premises). Such parking spaces shall be subject to the terms and conditions of Section 20 below.
- (o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days

such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

(p) Asbestos Report: Not Applicable

1.2 Defined Terms Relating to Landlord's Work Letter:

- (a) Base Tenant Improvement Allowance: \$286,190.00 (\$10.00 per RSF)
- (b) Additional Tenant Improvement Allowance: \$2,432,615 (\$85.00 per RSF)
- (c) Maximum Change Order Allowance: Not Applicable
- (d) Additional Tenant Improvement and Change Order Amortization Rate: 7% per annum. The Additional Tenant Improvement Allowance shall repaid to Landlord in accordance with the terms of the Landlord's Work Letter.
- (e) Basic Rent Reduction: Not Applicable.
- (f) Tenant's Work Letter Representative: Miguel A Covarrubias or an assigned staff person of the Chief Executive Office-Real Estate Division.
- (g) Landlord's Work Letter Representative: An assigned representative of the Landlord.
- (h) Landlord's Address for Work Letter Notice: FNL/Covina Partners LLC
433 North Camden Drive, Suite 820
Beverly Hills, California 90210
- (i) Tenant's Address for Work Letter Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012
- With a copy to:
Chief Executive Office

Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0927

1.3 Exhibits to Lease:

Exhibit A - Floor Plan of Premises
Exhibit B- Legal Description of Property
Exhibit C - Commencement Date
Memorandum and Confirmation of Lease
Terms
Exhibit D - HVAC Standards
Exhibit E - Cleaning and Maintenance
Schedule
Exhibit F - North Parking Area

1.4 Landlord's Work Letter:
(Executed concurrently with this Lease and
made a part hereof by this reference):

Landlord's Work Letter
Addendum A: Base Building Improvements
Addendum B: Tenant Improvements

1.5 Supplemental Lease
Documents: (Attached hereto
and made a part hereof by this reference):

Document I: Form of Subordination, Non-
disturbance and Attornment Agreement
Document II: Form of Tenant Estoppel
Certificate
Document III: Community Business
Enterprises Form
Document IV: Intentionally Omitted
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within 90 days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the

amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

(c) Subject to Landlord's express representations, warranties and obligations contained in this Lease (including Landlord's Work Letter executed concurrently herewith), Tenant shall accept the Premises on the Commencement Date in its "as-is" condition, subject to all applicable laws, ordinances, regulations, covenants and restrictions. Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building and the Property: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities (in all cases to the extent designated by Landlord from time to time for common use of all tenants of the Building and the Property). Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The "Commencement Date" shall be the date that is 30 days after the Premises are Substantially Complete. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) final inspection approval from the City of Covina Department of Building and Safety for that portion of the Building that includes all of the Premises; (4) Tenant has been provided with the number of parking spaces to which it is entitled under this Lease; and (5) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(b) Delays in Commencement Date. If the Commencement Date has not occurred within 90 days from the Projected Commencement Date, subject to extension for Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant shall be entitled, as its sole and exclusive remedy, to one (1) day

of Basic Rent abatement for each day after such 90th day until the Commencement Date has actually occurred (which Basic Rent abatement shall be applied against Tenant's rental obligations first coming due under this Lease).

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises not installed by Landlord. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Early Termination. Provided that Tenant is not then in default under this Lease, Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 120 days prior written notice executed by the Chief Executive Officer of Tenant and paying to Landlord an amount equal to the Early Termination Fee (defined below) in immediately available funds. The "Early Termination Fee" shall mean the unamortized Leasing Costs (as defined below) as of the effective date of Tenant's termination of this Lease (such effective date of termination to be set forth in Tenant's written termination notice described above), based upon an amortization period from the Commencement Date until the Termination Date. The term "Leasing Costs" shall mean the sum of (i) the Base Tenant Improvement Allowance and any other amounts expended by Landlord for improvements to the Premises requested by Tenant, plus (ii) all brokerage commissions paid by Landlord in connection with this Lease. Tenant shall pay the Early Termination Fee to Landlord within thirty (30) days following receipt of written notice from Landlord of the amount of the Early Termination Fee (which written notice shall include a reasonably detailed explanation of Landlord's determination).

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof within ten (10) days after a rent statement or invoice therefor for each such month has been submitted by Landlord to the Auditor of the County of Los Angeles (the "County") on or prior to the tenth (10th) day of each calendar month during the Term. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

All amounts owed pursuant to this Lease, including but not limited to Additional Tenant Improvement Allowance and Charge Orders, shall be considered "Rent" hereunder.

At the beginning of the 13th month of the Lease Term (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Basic Rent shall be increased in accordance with the following schedule:

| <u>Period of Term</u> | <u>Monthly Basic Rent</u> |
|-----------------------|---------------------------|
| Months 1-12 | \$52,945.15 per month |
| Months 13-24 | \$54,533.50 per month |
| Months 25-36 | \$56,169.51 per month |
| Months 37-48 | \$57,854.59 per month |
| Months 49-60 | \$59,590.23 per month |

| | |
|----------------|-----------------------|
| Months 61-72 | \$61,377.94 per month |
| Months 73-84 | \$63,219.28 per month |
| Months 85-96 | \$65,115.86 per month |
| Months 97-108 | \$67,069.33 per month |
| Months 109-120 | \$69,081.41 per month |
| Months 121-132 | \$71,153.85 per month |
| Months 133-144 | \$73,288.47 per month |
| Months 145-156 | \$75,487.12 per month |
| Months 157-168 | \$77,751.74 per month |
| Months 169-180 | \$80,084.29 per month |

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon thirty (30) days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises (in which event such compliance shall be at Tenant's sole cost and expense).

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and Landlord reasonable estimates that the Premises may be restored to a complete architectural unit of similar value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days following commencement of construction, then subject to receipt of sufficient insurance proceeds, Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall promptly secure

the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall use commercially reasonable efforts to promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. Basic Rent shall abate to the extent that the Premises are unusable by Tenant (except to the extent the damage resulted from any act or omission of Tenant or any agent, employee, contractor or invitee of Tenant). Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and Landlord reasonably estimates that the Premises will not be restored to a complete architectural unit of similar value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days following the commencement of construction for any reason, then Landlord or Tenant may terminate this Lease by giving written notice to the other party within ten (10) days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable (except to the extent the damage resulted from any act or omission of Tenant or any agent, employee, contractor or invitee of Tenant). In the event that neither party elects to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided and only to the extent insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, and such failure shall continue after ten (10) business days following written notice from Tenant, then Tenant may declare a default hereunder.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that, to the actual knowledge of Landlord, (i) on the Commencement Date, the existing electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems serving the Premises will be in reasonable good working order and condition; and (ii) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord hereby discloses to Tenant, in accordance with California Civil Code Section 1938, and Tenant hereby acknowledges that the Premises have not undergone an inspection by a Certified Access Specialist (CASp) to determine whether the Premises meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building; (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. [Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed); and (5) signage.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by licensed contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than ten (10) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's actual and reasonable costs and expenses in having taken such action within thirty (30) days. In no event shall Tenant have the right to deduct such amounts from Basic Rent or other amounts due and payable to Landlord under this Lease. The remedies provided in this Section are in addition to the remedies provided in Section 14.

(e) Notwithstanding any provisions of this Lease to the contrary, Tenant at its sole option, acting through the CEO, may request from Landlord, without any obligation on the

part of the Landlord to comply with said request, to perform, repair, maintenance, janitorial and or tenant improvement work. Tenant shall pay as additional rent the cost of any such work that is performed by Landlord at its sole discretion. Any Landlord charges to Tenant for administrative costs associated with such work shall not exceed three and one-half percent (3.5%) of the costs actually incurred by the Landlord in performance or contracting out such work.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to similar office buildings and not less than the standard set forth in Exhibit D attached hereto.

(b) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

(c) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(d) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

(e) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building and subject to the other terms and conditions of this Lease.

Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize the amount of electric current provided for in the Working Drawings for power and lighting and electric current for HVAC. However, Tenant shall be responsible for contracting with the utility company and timely paying for all electricity used at the Premises, including all maintenance charges, taxes, penalties, surcharges or the like pertaining to Tenant's electricity usage. Landlord shall have no responsibility for furnishing electrical service to the Premises and the interruption or failure of such electrical service shall not result in the termination of this Lease or the abatement of rent.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice (except in the case of an emergency) for the purpose of inspecting the Premises and for any other reasonable purpose (including the performance of Landlord's obligations hereunder). Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law, , including without limitation, the rights under Section 1951.4 of the California Civil Code (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations) and the right, following a termination of this Lease, to recover from Tenant the aggregate of all amounts permitted by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten (10) business days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such ten (10) business day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere

herein: (i) to pursue the remedy of specific performance; or (ii) to seek money damages for actual loss arising from Landlord's failure to discharge its obligations under this Lease. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and Tenant may not terminate this Lease for breach of Landlord's obligations hereunder. Tenant hereby waives the benefit of any laws granting it the right to perform Landlord's obligations or the right to terminate this Lease or withhold rent on account of any Landlord Default. Notwithstanding anything to the contrary herein, in no event shall Landlord be liable for any injury or interruption to Tenant's business or any loss of income therefrom under any circumstances and Landlord shall not be liable for any indirect or consequential losses or damages suffered by Tenant.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period granted to Landlord, in the case of an emergency, Tenant may cure any default by Landlord without prior notice (provided that Tenant shall provide Landlord with notice as soon as reasonably possible) where the failure to promptly to cure such default would, in the reasonable opinion of Tenant, result in the likelihood of imminent harm to persons or material damage to Tenant's property.

15. ASSIGNMENT AND SUBLETTING. Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent (which consent shall not be unreasonably withheld): provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease.

16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within thirty (30) days of such request and Landlord's receipt of all information reasonably required by Landlord to evaluate the subject Alterations (including, without limitation, detailed plans and specifications), Landlord shall be deemed to approve the Alterations.

(b) Tenant shall cause, at its expense, all Alterations to comply all laws and shall construct at its expense any alteration or modification required by any legal requirements as a result of any Alterations. All Alterations shall be constructed in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. All plans and specifications for any Alterations shall be submitted to Landlord for its approval. Landlord may monitor construction of the Alterations. Tenant shall reimburse Landlord for its actual and reasonable costs in reviewing plans and specifications and in monitoring construction of any Alterations. Landlord's right to review plans and specifications

and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations.

(c) Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to beginning such construction, and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law.

(d) End of Term. Unless Landlord has required Tenant to remove the same in writing, all Alterations shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term. If Landlord requires Tenant to remove any Alterations prior to the expiration or earlier termination of this Lease, Tenant shall remove such Alterations at Tenant's sole cost and expense, repair any damage caused by such removal, and restore the Premises to its condition immediately prior to the installation of the subject Alterations.

17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Landlord or Tenant may elect to terminate this Lease if, in such party's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant or Landlord elects to so terminate this Lease, Tenant or Landlord must exercise its right to terminate by giving notice to the other party within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant or Landlord has notified the other party of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant or Landlord. If Tenant or Landlord does not so notify the

other party within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within one hundred twenty (120) days following the issuance of a building permit (if required), this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises. Notwithstanding the foregoing, Tenant shall not be entitled to any Award if Tenant is the condemning authority.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any occurrence in or about the Premises, the use and occupancy of the Premises, or from any activity, work, or thing done, permitted or suffered by Tenant, its agents, employees, contractors, shareholders, partners, invitees, subtenants or assignees in or about the Premises or due to any other act or omission of Tenant, its subtenants, assignees, invitees, employees, contractors and agents. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties to the extent caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties

to the extent caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property (with a commercially reasonable deductible as determined by Landlord).

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises as required by the terms of this lease shall constitute a material breach of this Lease.

(b) Tenant's Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Tenant's property, including all of Tenant's trade fixtures, furniture, inventory and other personal property in the Premises, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property (with a commercially reasonable deductible as determined by Tenant).

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) covering claims arising out of Tenant's use and occupancy of the Premises with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000, naming Landlord as an additional insured.

(iii) Failure by Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises as required by the terms of this lease shall constitute a material breach of this Lease.

(c) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

(d) Certificates. Landlord and Tenant shall each deliver to the other party on the Commencement Date of this Lease certificates of insurance evidencing this coverage with limits not less than those specified above. In addition, Landlord and Tenant shall endeavor to deliver to other party at least 15 days prior to expiration of any insurance required to be carried hereunder new certificates of insurance evidencing this coverage with limits not less than those specified above.

(e) At the sole option of the Tenant, it may self-insure by self-funding any or all of its insurance obligation required under this Lease. It is understood that if Tenant elects to self-insure as permitted above, Landlord shall have the same benefits and protections as if Tenant carried insurance with a third party insurance company satisfying the requirements of this Lease, including without limitation, the waiver of subrogation provisions of paragraph 19(f) hereof, and such self-insurance shall not limit Tenant's indemnification obligations set forth in paragraph 18(a) hereof

(f) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING.

Tenant shall have the right to the non-exclusive use of the number of unreserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that the unreserved parking spaces granted to Tenant hereunder are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building. In addition, if Landlord determines, in its reasonable discretion, that the parking lot serving the Building is over congested, Landlord shall have the right to require that up to fifty percent (50%) of Tenant's unreserved parking spaces be relocated the parking area located to the north of the Building, as depicted on Exhibit F attached hereto.

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or

about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgments, causes of action, damages, penalties, fines, taxes, costs, liabilities, losses and expenses resulting from any breach by Tenant of its obligations under this Section 21(a).

(b) Notwithstanding anything to the contrary herein, Tenant shall not be responsible for, and shall not be obligated to indemnify Landlord with respect to, any of Hazardous Materials that are (i) located in, on, under or about the Premises prior to the Commencement Date (except to the extent any of such Hazardous Materials are generated, used, transported, exacerbated, released or disturbed, generated, by Tenants or its agents, employees, contractors, subcontractors, subtenants, affiliates, consultants, customers, assignees, licensees or invitees), or (ii) brought upon, placed, stored, handled, disposed of, used or released on, in, under or about the Premises or the Project by Landlord or Landlord's agents, employees or contractors.

22. ESTOPPEL CERTIFICATES. Tenant shall, within ten (10) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed), provided that such form may be supplemented with such other statements reasonably requested by any lender of prospective purchaser. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant and hereby indemnifies and holds Landlord harmless from any liability or loss from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease to any encumbrance first placed upon the Premises following the date of this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(b) Existing Deeds of Trust. Landlord shall request that the beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in the condition in which it was delivered to Tenant pursuant to the approved Working Drawings and Engineering Drawings under the Work Letter (ordinary wear and tear excepted) and otherwise in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Subject to Landlord's prior written approval (not to be unreasonably withheld), Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker, within ten (10) days after the execution of this Lease, an amount equal to twenty-five percent (25%) of all commissions due to Landlord's broker as a result of the execution of this Lease.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give

consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated

damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law. Notwithstanding the foregoing, Tenant acknowledges that any financing of the Property, including any financing secured by a deed of trust encumbering the Property, shall not constitute a violation of said Section 5951.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity (other than to Landlord's brokers, attorneys, accountants and any prospective buyer, lender or investor), except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. OPTION TO EXTEND.

(a) Terms of Option Provided that no material default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one (1) option to renew this Lease for one (1) additional period of five (5) years (the "Option Term").

(b) Exercise of Option Tenant must exercise its option to extend this Lease, if it elects to do so, by giving Landlord written notice of its intent to do so by Chief Executive Office letter no later than one hundred twenty (120) days prior to the end of the initial Term.

(c) Terms and Conditions of Extension Term The Option Term shall be on all the terms and conditions of this Lease, except that monthly Basic Rent for each Option Term shall be equal to ninety-five percent (95%) of the the fair market rental value of the Premises, but not less than the monthly Basic Rent payable during the last month of the initial Term of the Lease.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

FNL/COVINA PARTNERS LLC,
a California limited liability company

By: [Signature]
Name: Carlene W. Field
Its: Monsen

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: [Signature]
Name: Hilda L. Solis
Its: Chair, Board of Supervisors

ATTEST:

Patrick Ogawa
Executive Officer-Clerk
of the Board of Supervisors

By: [Signature]
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

APPROVED AS TO FORM:
Mary C. Wickham
County Counsel

By: [Signature]
Deputy



By: [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19

DEC 15 2015

511363v5

[Signature]
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

LA1 169130v2

78460

EXHIBIT A
FLOOR PLAN OF PREMISES

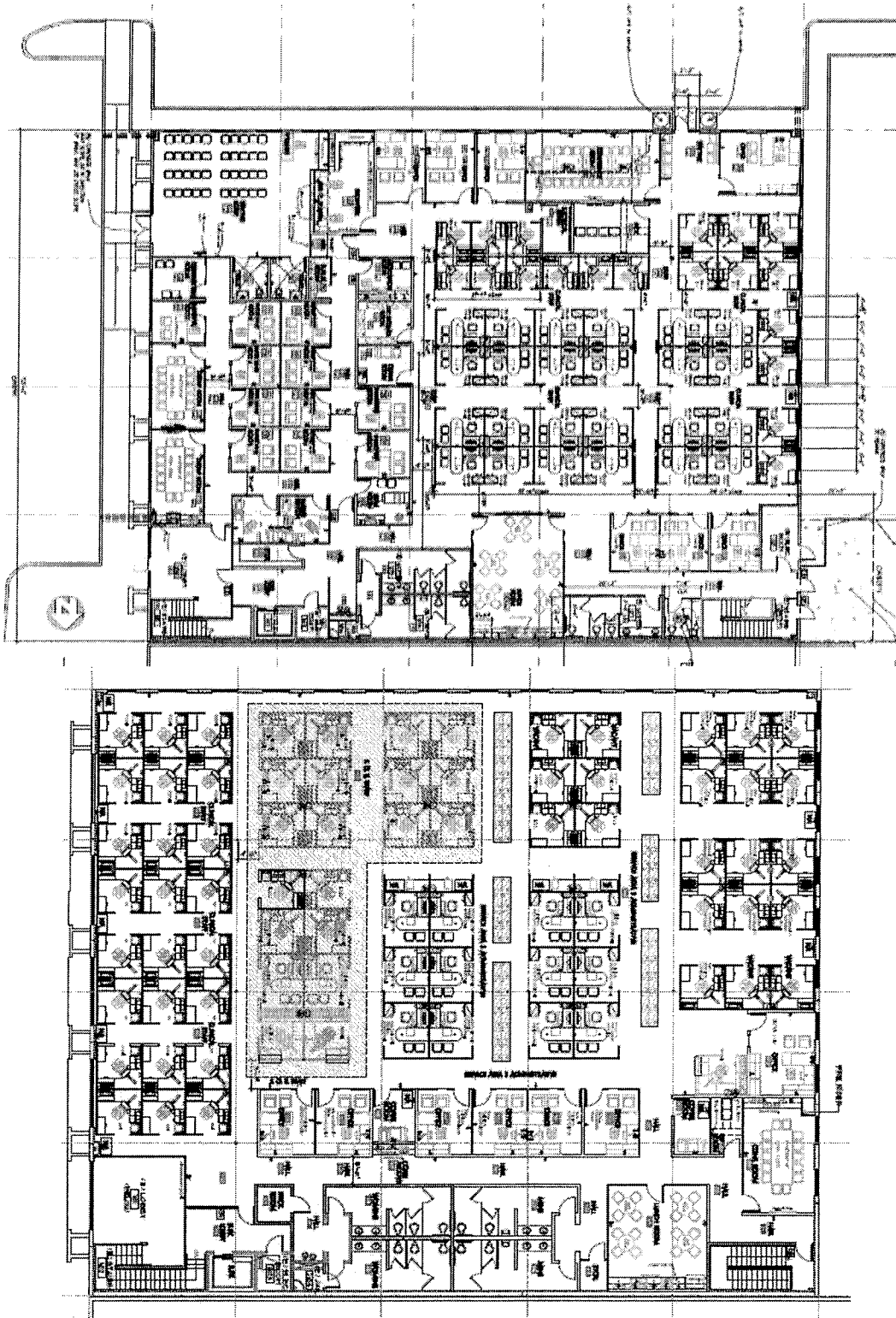


EXHIBIT B
LEGAL DESCRIPTION OF PROPERTY

[Attached]

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 2015, between County of Los Angeles, a body politic and corporate ("Tenant"), and FNL/Covina Partners LLC, a California limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on _____ ("Commencement Date");
- (4) The Premises contain _____ rentable square feet of space; and
- (5) Basic Rent per Month is _____.

IN WITNESS WHEREOF, this Memorandum is executed this ____ day of _____, 20__.

| "Tenant" | "Landlord" |
|--|--|
| COUNTY OF LOS ANGELES, a body politic and corporate | FNL/Covina Partners LLC, a California limited liability company |
| By: _____ Name: _____ Its: _____ | By: _____ Name: _____ Its: _____ By: _____ Name: _____ Its: _____ |

EXHIBIT D

HVAC STANDARDS

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT E
CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)
 - A. Carpets vacuumed.
 - B. Composition floors dust-mopped.
 - C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
 - D. Waste baskets, other trash receptacles emptied.
 - E. Chairs and waste baskets returned to proper position.
 - F. Fingerprints removed from glass doors and partitions.
 - G. Drinking fountains cleaned, sanitized and polished.
 - H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
 - I. Bulb and tube replacements, as required.
 - J. Graffiti expunged as needed within two (2) working days after notice by Tenant.
 - K. Floors washed as needed.
 - L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
2. WEEKLY
 - A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
 - B. Window sills, ledges and wood paneling and molding dusted.
3. MONTHLY
 - A. Floors washed and waxed in uncarpeted office area.
 - B. High-reach areas, door frames and tops of partitions dusted.
 - C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
 - D. Picture moldings and frames dusted.
 - E. Wall vents and ceiling vents vacuumed.
 - F. Carpet professionally spot cleaned as required to remove stains.
 - G. HVAC chiller water checked for bacteria, water conditioned as necessary.
4. QUARTERLY
 - A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
 - B. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
 - C. HVAC units serviced for preventative maintenance purposes, all filters changed.
5. SEMI-ANNUALLY
 - A. Windows washed as required inside and outside but not less frequently than twice annually.
 - B. All painted wall and door surfaces washed and stains removed.

C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.

B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process or similar. All grout and porous surfaces resealed with a professional grade sealant.

C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

C. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year]; (ii) moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

D. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT F
NORTH PARKING AREA

[Attached]

SUPPLEMENTAL LEASE DOCUMENTS

[Attached]

LANDLORD'S WORK LETTER

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: Mental Health, as Tenant

LANDLORD: FNL Covina Partners, LLC

**1359 North Grand Avenue, Building "C"
Covina, California 91724**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2015, executed concurrently herewith, by and between FNL/COVINA PARTNERS LLC, a California limited liability company ("Landlord") as Landlord, and COUNTY OF LOS ANGELES ("Tenant" or "County") as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- (a) Base Tenant Improvement Allowance: \$286,190.00 (i.e., \$10.00 per rentable square foot of the Premises).
- (b) Additional Tenant Improvement Allowance: \$2,432,615 (i.e., \$85.00 per rentable square foot of the Premises).
- (c) INTENTIONALLY OMITTED.
- (d) Additional Tenant Improvement Amortization Rate: 7% per annum.
- (e) INTENTIONALLY OMITTED.
- (f) Tenant's Work Letter Representative: Miguel A Covarrubias or an assigned staff person of the Chief Executive Office-Real Estate Division.
- (g) Landlord's Work Letter Representative: An assigned staff person of the Landlord.
- (h) Landlord's Address for Work Letter Notice: See Section 1(a) of the Lease.
- (i) Tenant's Address for Work Letter Notice: Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:
Chief Executive Office-
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 830-0927

(j) Addenda:

Addendum A: Base Building Improvements
Addendum B: Tenant Improvements

2. Construction of the Base Building Improvements.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). Landlord shall submit plans and specifications for the Base Building Improvements to Tenant as soon as reasonably practicable following mutual execution and delivery of the Lease. Tenant shall approve of such plans and specifications within 10 business days following receipt thereof, otherwise such plans and specifications shall be deemed approved. Upon approval or deemed approval of the Base Building Improvements plans and specifications, Landlord shall be permitted to commence construction of the Base Building Improvements immediately following its receipt of all necessary building permits. To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below).

2.2 Additional Costs Not Tenant Improvement Costs.

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes as of the Commencement Date, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs (as defined below) and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA as of the Commencement Date or make existing building systems, including, but not limited to, electrical service and HVAC equipment, operational on the Commencement Date shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes" to the extent required by applicable laws; (ii) fire sprinkler system installation or upgrade; (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; or (iv) utility costs incurred during construction.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses.

2.3 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Building in an AutoCAD 2000 format. In the event Tenant incurs

additional costs because such plans and specifications are incomplete or inaccurate, such increased costs will be reimbursed to Tenant and any delay caused thereby shall not be a Tenant Delay, as defined below.

3. **Selection of Architect.** Landlord shall solicit at least four (4) proposals from qualified, licensed architects (the "Architect"), two (2) of which shall be selected by Landlord and two (2) of which shall be selected by Tenant, so that a minimum of four (4) proposals are obtained. The potential architects shall be familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings (as defined below) and Engineering Drawings (as defined below). Tenant acknowledges and agrees that one (1) of the potential architects selected by Landlord shall be The Chait Company. The Architect shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the Architect to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect is finally approved by Tenant and written consent has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans (as defined below) and a proposed construction contract reasonably approved by Tenant, shall be submitted to four (4) contractors, two (2) of which shall be selected by Landlord and two (2) of which shall be selected by Tenant, so that a minimum of four (4) bids for the Tenant Improvements (as defined below) are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation and Approval of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a proposed space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively the "Space Plan"). Landlord shall reasonably approve or disapprove the Space Plan within ten (10) business days after receipt of same by Landlord. If Landlord reasonably disapproves of the Space Plan, Tenant shall re-submit the same to Landlord, and Landlord shall have five (5) business days to reasonably approve or disapprove of the same. This procedure shall be repeated until Landlord and Tenant have agreed on a mutually approved Space Plan. Tenant agrees that all costs and expenses associated with the preparation and modification of the Space Plan shall be paid for solely by Tenant.

5.2 **Preparation and Approval of Working Drawings.** Within five (5) business days of the date the Space Plan is submitted to and approved by Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of (i) the Working Drawings (the

"Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements, and (ii) the Engineering Drawings (as defined below), which shall contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Within five (5) business days of Tenant's receipt of the proposed Working Drawings (or any portion thereof), Tenant shall either approve the same or specify proposed changes in writing. Tenant's proposed changes must be consistent with the Space Plan described in Section 5.1 above or they will be deemed to be a Change Order (as defined below). Tenant's failure to notify Landlord in writing within such five (5) business day period of any changes Tenant desires to be made to the Working Drawings will constitute Tenant's approval thereof. To the extent assignable, Landlord shall assign to Tenant, on a non-exclusive basis, any and all warranties and other rights from or against the Architect relative to the correctness of the Working Drawings and the proper design of the Tenant Improvements or any component thereof.

5.3 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review. Within five (5) business days of Tenant's receipt of the proposed Engineering Drawings (or any portion thereof), Tenant shall either approve the same or specify proposed changes in writing. Tenant's proposed changes must be consistent with the Space Plan described in Section 5.1 above or they will be deemed to be a Change Order. Tenant's failure to notify Landlord in writing within such five (5) business day period of any changes Tenant desires to be made to the Engineering Drawings will constitute Tenant's approval thereof.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Working Drawings and Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five (5) sets of the Final Plans to Tenant. Within five (5) business days of Tenant's receipt of the Final Plans, Tenant shall either approve the same or specify proposed changes in writing. Tenant's proposed changes must be consistent with the approved Working Drawings and Engineering Drawings or they will be deemed to be a Change Order. Tenant's failure to notify Landlord in writing within such five (5) business day period of any changes Tenant desires to be made to the Final Plans will constitute Tenant's approval thereof. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Tenant Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within 30 days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, the anticipated Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

5.7 No Representations Regarding Tenant's Intended Use. Notwithstanding anything to the contrary contained in the Lease or this Work Letter, Landlord's participation in the preparation of the Space Plan, Working Drawings, Final Plans and the construction of the Tenant Improvements shall not constitute any representation or warranty, express or implied, that the Tenant Improvements, if built substantially in accordance with the Final Plans, will be suitable for Tenant's intended purpose. Tenant acknowledges and agrees that the Tenant Improvements are intended for use by Tenant and the specifications and design requirements for such Tenant Improvements are not within the special knowledge or experience of Landlord. Landlord's sole obligation shall be to arrange the construction of the Tenant Improvements substantially in accordance with the requirements of the Final Plans.

6. Final Construction Budget and Payment of Tenant Construction Costs.

6.1 Construction Budget. Within ten (10) business days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten (10) business days from of the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five (5) days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from Tenant (in which case the Final Construction Budget shall be deemed approved by Tenant). In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is fifteen percent (15%) or more higher in cost than was projected in the Preliminary Budget, then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Final Plans and modular furniture described in the Modular Specifications, as further described in Addendum B hereto (collectively, the "Tenant Improvements") shall be paid for by Landlord using the Tenant Improvement Allowance and the Additional Tenant Improvement Allowance. In the event the Tenant Improvement Allowance and the Additional Tenant Improvement Allowance exceeds, in the aggregate, the final Tenant Improvement Costs, Tenant shall not be entitled to such excess, but rather such excess funds shall belong to and be the sole property of Landlord. In the event if the Tenant Improvements Costs exceed the aggregate amount of the Tenant Improvement Allowance and the Additional Tenant Improvement Allowance, then Tenant shall deposit with Landlord, in cash and prior to the commencement of construction, the

amount of such overage, which shall be disbursed by Landlord during the course of construction for the payment of the Tenant Improvement Costs. The balance of any such overage deposited with Landlord, if any, shall be returned to Tenant, without interest, following completion of the Tenant Improvements. All costs relating to the design and construction of the Tenant Improvements, including, without limitation, the Architect's fees and costs, costs of preparing the Working Drawings, Engineering Drawings and Final Plans, plan check, permit and license fees, construction costs relating to the Tenant Improvements, cost of furniture and telecommunications equipment included in the Tenant Improvements, testing and inspection costs, fees payable to the Contractor, soft costs and any other costs approved in writing by Tenant and Landlord shall be collectively referred to herein as the "Tenant Improvement Costs" and shall be charged against the Tenant Improvement Allowance and the Additional Tenant Improvement Allowance. Landlord shall be solely responsible for any delay or increased cost in completing the Tenant Improvements except for delays or costs arising from Change Orders requested by Tenant and Tenant Delays (as defined below). The Additional Tenant Improvement Allowance shall be repaid to Landlord as provided in Section 6.3 below.

6.3 Method of Payment of Additional Tenant Improvement Allowance. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election, be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in equal amortized monthly payments over the first five (5) years of the initial Term of the Lease, or shorter time period at its discretion, at the Additional Tenant Improvement Amortization Rate. Tenant may at any time within the first five (5) years of the initial Term prepay Landlord in a lump sum for all or any portion of the Additional Tenant Improvement Allowance, amortizing any remaining amount in monthly payments over the time remaining in the first five (5) years of the initial Term of the Lease at the Additional Tenant Improvement Amortization Rate. Tenant acknowledges and agrees that if the Lease is cancelled or terminated for any reason whatsoever prior to the end of the first five (5) years of the initial Term, then the entire unamortized Additional Tenant Improvement Allowance shall become immediately due and payable to Landlord.

7. Construction of Tenant Improvements.

7.1 Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans. The costs of such permits and approvals shall be included within the Tenant Improvements Costs.

7.2 Commencement of Construction. Subject to Tenant Delays and/or Force Majeure Delays, Landlord shall commence construction of the Tenant Improvements within 15 days after issuance of all such necessary permits. Once commenced, Landlord shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Tenant Delays and/or Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts reasonably required by Tenant, shall be provided to the extent included within the Final Plans and Final Construction Budget. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Clean-Up Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of inadequate clean-up work performed by Landlord's contractor or contractors (as reasonably determined in accordance with the usual standards of work in the Building).

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations applicable as of the Commencement Date and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(e) Construction Warranty. To the extent assignable, Landlord shall assign to Tenant, on a non-exclusive basis, any and all warranties and other rights from or against the Contractor relative to the construction and condition of the Tenant Improvements and their compliance with applicable laws and regulations. Upon receipt of written notice from Tenant, Landlord shall use commercially reasonable efforts to assist Tenant with enforcing any warranties and/or guaranties against the Contractor.

7.4 Conformed Plans. Within 60 days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes, or CD, in AutoCAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. To the extent funds from the Tenant Improvement Allowance and Additional Tenant Improvement Allowance are available, such funds shall be applied towards the cost of any Change Orders. If the Tenant Improvement Allowance and Additional Tenant Improvement Allowance have been exhausted, then Tenant shall be solely responsible for the cost of all Change Orders and Tenant shall pay for such Change Orders by payment in a lump sum upon Tenant's approval of such Change Order as set forth below. Landlord shall submit to

the Chief Executive Officer with each requested Change Order: (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer. If Tenant approves the Change Order, Landlord shall cause the appropriate changes to the Final Plans to be made. If Tenant fails to respond to Landlord within three (3) business days, the Change Order shall be deemed disapproved by Tenant and Landlord shall have no further obligation to perform any work with respect to such proposed Change Order. All delays or increases in the time required for completion of the Tenant Improvements arising out of Change Order requests made by Tenant shall be deemed Tenant Delays.

9. **Furniture System.**

9.1 Concurrently with the execution of this Lease, Tenant shall deliver to Landlord modular furniture plans and specifications (the "Modular Specifications"). All modular furniture and telecommunications equipment shall be included within the "Tenant Improvements" and shall be shown in the Working Drawings, Final Plans, Preliminary Construction Budget and Final Construction Budget. All bids obtained by Landlord for the Tenant Improvements, as set forth herein, shall include the cost of the modular furniture and telecommunications equipment and such costs shall be paid for as part of the Tenant Improvements.

9.2 Tenant may opt to finance the cost of modular furniture and telecommunications equipment through lease-purchase financing with a third-party vendor ("Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the modular furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within five (5) business days of the issuance of final sign-off by the City of Covina, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of 24 months from the date of acceptance by Tenant of the Premises. In the event the

audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord, within 30 days, shall refund to Tenant the amount of any overpayment made by Tenant and all future payments shall be adjusted as appropriate based upon the audit results.

11. **Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement, fire sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. All work for required asbestos abatement, fire sprinkler system, or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. **Telephone/Computer Room and Equipment.** Landlord shall use commercially reasonable efforts to complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Final Plans, at least 30 days prior to the Projected Commencement Date.

13. **Delay.**

13.1. **Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements. Subject to the provisions of Section 13.2, the Projected Commencement Date set forth in the Lease shall be extended one (1) day for each day that of Tenant Delay and/or Force Majeure Delay. "Tenant Delay(s)" shall mean any delays arising out of or caused by: (i) Tenant failure or refusal to give authorizations or approvals within the time periods required herein but only to the extent such delays actually delay the commencement or completion of construction of the Tenant Improvements; (ii) Tenant's requested modifications to the Space Plan, Working Drawings, Final Plans or any Tenant-initiated Change Orders; (iii) Tenant's requirement of specific materials, finishes, or installations as part of the Tenant Improvements which are not readily available; and/or (iv) any unreasonable interference or any other act or failure to act by Tenant or Tenant's employees, agents, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant which results in an actual delay in the completion of the Tenant Improvements. "Force Majeure Delay(s)" shall mean any delays arising out of or caused by: (a) unusual inclement weather, lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord or the Contractor; (b) any action, inaction, order, ruling, moratorium, regulation, statute, condition or other decision of any governmental agency having jurisdiction over the Property or the construction of the Tenant Improvements; and/or (c) inspections or issuance of approvals or permits by governmental agencies.

13.2. **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within five (5) business days of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is

claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred commencing as of the date the such event first occurred and during the continuance thereof.

(b) Mitigation. Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is actually delayed, despite Landlord's commercially reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make only if the additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis (unless Tenant agrees to pay to such excess).

(c) Concurrent Delays. Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten (10) days of Tenant Delays and four (4) days of Force Majeure Delays which occur during the same ten (10) day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten (10) days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by 14 days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

14. **Tenant Remedies**. If Landlord fails to Substantially Complete the Tenant Improvements within 90 days after the Projected Commencement Date, as such date may be extended for Tenant Delays and Force Majeure Delays, Tenant shall be entitled, as its sole and exclusive remedy, to remedy set forth in Section 4(b) of the Lease.

15. **Representatives**.

15.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

15.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

16. **Construction Meetings**. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Landlord and Tenant

agree otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) business days of the date the Contractor is selected.

17. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service, nationally recognized overnight courier or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

[SIGNATURE PAGE FOLLOWS]

LANDLORD:

FNL/Covina Partners, LLC,
a California limited liability company

Name: 

Title: M. L. N.

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: 

Name: Christopher M. Montana

Title: Director of Real Estate

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed (or will construct) the Building to include the following:

(a) The Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;

(b) The core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Building core, stubbed out to the face of the core wall at locations determined by Landlord;

(c) Men's and women's toilet rooms, including necessary plumbing fixtures, ceramic tile floors, accessories, ceilings and lighting, with running hot and cold water;

(d) Unpainted exterior dry wall or lath and plaster covering the exposed side of all exposed core walls, core and perimeter columns and the interior exposed side of all exterior building wall areas except at and under windows;

(e) Public stairways;

(f) Passenger elevators;

(g) Parking facilities;

(h) Ground floor lobby;

(i) Finished elevator lobbies (with carpet, lights, finished walls and ceiling);

(j) Exterior plazas and landscaping;

(k) Intentionally Omitted;

(l) Drinking fountains at the core;

(m) Electrical/telephone closet with not less than seven watts per square foot of rentable area of normal power in the floor electrical closet. Landlord has verified an electrical service of 1600 amps at 277/480 volts.;

(n) Conduit access sufficient for Tenant's electrical wiring (no additional improvement to increase conduit access will be furnished by Landlord unless there is not sufficient riser space as required for a 1.5" diameter signal cable from the Building main telecommunication vault to the telephone closets on floors, in which case Landlord, at no cost to Tenant and without deduction from the Tenant Improvement Allowance, shall cause such riser space to be made available to Tenant, and provided further that Tenant shall be responsible for the cost for removing the riser floor seal at each floor and the patching of each seal after installation of Tenant's cable);

(o) Two 208/120 and one 480/277 volt panels connected to the Building power system;

(p) Intentionally Omitted;

(q) Concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of 50 pounds per square foot and a partition load of 20 pounds per square foot;

(r) Standard window coverings;

(s) HVAC system consisting of rooftop package units and condensers for fan coil units at the ground floor;

(t) Intentionally Omitted;

(u) Primary fire sprinkler distribution, including secondary piping and sprinkler heads as required for the unoccupied Premises;

(v) Primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution;

(w) Access at panels in the service core for distribution of Building requirements electrical power (initially 120/208 V for power and 277V for fluorescent lighting) up to the limits permitted under applicable law at the time the Building receives the initial temporary certificate of occupancy for the Building; and

(x) Gypsum board on the service core walls, columns and sills in the Premises.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant Improvements shall include to the extent shown on the Final Plans:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes of any kind within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) As applicable, telecommunications cabling;
- (g) Distribution of electrical services, plumbing services and sprinklers from the core to the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity; and
- (k) Verizon confirmed DSL service only. Landlord will contact Verizon's LA County service planner to determine what can be brought to the Building to satisfy the County's requirements.